

Regular Meeting

Agenda Item #	9
Meeting Date	September 24, 2007
Prepared By	Jessie Carpenter City Clerk
Approved By	Barbara B. Matthews City Manager

Discussion Item	Second Reading Ordinance Adjusting the Salaries of the Mayor and Councilmembers (effective for the Council to be sworn in on November 19, 2007).
Background	<p>The City Code provides for periodic review of Council compensation. On March 26, 2007, the Council appointed eight residents to serve on the 2007 Council Compensation Committee. The Committee was asked to review the salaries of the Mayor and Council and to make a recommendation as to whether the salaries should be adjusted.</p> <p>The Committee presented their report to the Council at the worksession on July 2. In their report, the Committee stated:</p> <p>“Waiting four years to review the salary is too long. Gradual raises make sense. Council Members and Mayor should not have to wait four years for each increase.</p> <p>By vote of 4 to 1, the Compensation Committee recommended a raise effective in November 2007 and then a 10% increase per year as follows:</p> <p>November 2007: Mayor \$10,000; Council Members \$7,500 (To bring compensation in line after 4 years of no raises)</p> <p>November 2008: Mayor \$11,000; Council Members \$8,250</p> <p>November 2009: Mayor \$12,100; Council Member \$9,075</p> <p>November 2010: Mayor \$13,310; Council Member \$9,982.50.”</p> <p>Subsequently, at a worksession on July 9, the City Attorney advised that in order to adjust the salary of the Council to be elected in 2009, an ordinance must be adopted by the Council which precedes it – i.e., the Council which will be elected in November 2007.</p> <p>Additionally, the language in Sections 302(c) and 304(c) of the City Charter prohibits changing the salary during the term for which the Council was elected, even if the adjustment was made by the prior Council. An ordinance adopted by this Council to adjust the salary for the Council which will be seated after the November election will remain in effect for subsequently elected Councils until a new ordinance is adopted.</p> <p>After hearing from the City Attorney, the Council discussed options. The Council directed that an ordinance be prepared setting the salary of the Mayor at \$16,000 and the salary for each Councilmember at \$12,000, to be effective for the Council elected in November.</p>

	<p>At first reading, the Council voted to amend the ordinance to adopt the 2007 Council Compensation Committee's recommendation for the fourth year of the graduated increases (November 2010: Mayor \$13,310; Council Member \$9,982.50).</p> <p>The ordinance as presented for second reading includes the amended salary amounts.</p>
Policy	<p>Takoma Park Code, Title 2, Section 2.04.110 sets out a process for periodic review of Council compensation.</p> <p>Section 302(c) and 304(c) of the City Charter address the salaries of the Mayor and Councilmembers, respectively.</p>
Fiscal Impact	<p>Currently, members of the City Council receive \$6,000 annually; the Mayor's annual salary is \$8,000. \$44,000 has been budgeted for Council salaries in FY08.</p> <p>The amended ordinance sets the salary of the Mayor at \$13,310 and Councilmembers' salaries at \$9,982.50. If adopted, salaries will increase for the seven months remaining in the fiscal year after the new Council takes office. The FY08 Council salaries will exceed the budget by approximately \$16,939.</p> <p>For FY09, Council salaries will total \$73,205.</p>
Attachments	<ul style="list-style-type: none"> • Draft Second Reading Ordinance (as amended at first reading) • Salary comparability analysis provided by Ed Sharp • Takoma Park Council Salary History
Recommendation	Council to vote on second reading ordinance.
Special Consideration	If the ordinance is adopted, a budget amendment will be required to transfer the additional funds to the General Government Department budget.

Introduced by: Councilmember Austin-Lane

First Reading: September 10, 2007
Second Reading:

CITY OF TAKOMA PARK, MARYLAND

ORDINANCE NO. 2007-43

An Ordinance Providing for Salary Increases for the Mayor and Councilmembers to Take Effect for Members of the Next Succeeding Council

WHEREAS, the Municipal Charter of the City of Takoma Park provides that the Mayor and each Councilmember may receive an annual salary as set from time to time by an ordinance passed by the Council in regular course of business, provided, however, that no change may be made in the salary of the Mayor and each Councilmember during the term for which they are elected; and

WHEREAS, the Municipal Charter further provides that any change in the salary paid to the Mayor and each Councilmember, either by way of increase or decrease, shall be adopted prior to the next municipal election and shall take effect only as to the next succeeding Mayor and Councilmembers; and

WHEREAS, by Ordinance 2003-3, the Council established a process for periodic review of Council compensation and adopted the following Principles of Compensation, which are codified as Section 2.04.110.B of the *Takoma Park Code*:

1. The positions of Mayor and Councilmember are part-time and should be treated that way;
2. Full monetary compensation for the Mayor and Councilmembers is not appropriate;
3. It is appropriate to monetarily compensate the Mayor and Councilmembers to some extent for their work;
4. Monetary compensation creates an obligation for the Mayor and Councilmembers to perform their jobs;
5. Monetary compensation provides status to the Mayor and Councilmembers;
6. The Mayor's salary should be greater than that of Councilmembers; and
7. Compensation for the Mayor and Councilmembers should be comparable to Maryland municipalities of similar size and complexity.

WHEREAS, the Mayor currently receives an annual salary of Eight Thousand Dollars (\$8,000); and

WHEREAS, each Councilmember currently receives an annual salary of Six Thousand Dollars (\$6,000); and

WHEREAS, the salaries of the Mayor and Councilmembers were last increased following the November 2003 municipal election; and

WHEREAS, by Resolution 2007-4, the Council appointed the 2007 Council Compensation Committee to review the salaries of the Mayor and Councilmembers and provide a recommendation to the Council as to whether or not any adjustments should be made; and

WHEREAS, the Council Compensation Committee reported its findings to the Council on July 2, 2007, and recommended salary adjustments as follows:

November 2007:	Mayor \$10,000.00 per year; Councilmembers \$7,500.00 per year (To bring compensation in line after 4 years of no raises)
November 2008:	Mayor \$11,000.00 per year and Councilmembers \$8,250.00 per year
November 2009:	Mayor \$12,100.00 per year and Councilmembers \$9,075.00 per year
November 2010:	Mayor \$13,310.00 per year and Councilmembers \$9,982.50 per year; and

WHEREAS, because Charter Sections 302c and 304c provide that the salary paid to the Mayor and to Councilmembers cannot be increased or diminished during his or her term of office and also that any salary adjustment ordinance can be effective only as to the members of the next succeeding Council, the Council hereby adopts this Ordinance increasing the salaries of the Mayor and Council who take office following the November 2007 City election; and

WHEREAS, the salaries set forth in this Ordinance shall not be increased or decreased during the two-year Council term of office which begins following the November 2007 City election.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF TAKOMA PARK, MARYLAND THAT *Takoma Park Code*, Chapter 2.04, Section 2.04.100 Salary of Mayor and Councilmembers, is amended as follows:

2.04.100 Salary of Mayor and Councilmembers.

A. The Mayor shall receive an annual salary of \$8,000, payable biweekly. Effective for the members of the Council who take office following the November 2007 election, the Mayor shall receive an annual salary of ~~\$16,000~~ \$13,310.

B. Each Councilmember shall receive an annual salary of \$6,000, payable biweekly. Effective for the members of the Council who take office following the November 2007 election, each Councilmember shall receive an annual salary of ~~\$12,000~~ \$9,982.50.

C. ~~The salaries of the Mayor and Councilmembers, as set forth in this section, shall become effective for the members of the Council who take office following the November 2003 City election.~~

**ADOPTED BY THE COUNCIL OF THE CITY OF TAKOMA PARK,
MARYLAND THIS ____ DAY OF _____, 2007, BY ROLL-CALL VOTE AS
FOLLOWS:**

Aye:

Nay:

Abstained:

Absent:

EXPLANATORY NOTE

Additions to the existing language of the *Takoma Park Code* are shown by underlining.

~~Deletions~~ to the existing language of the *Takoma Park Code* are shown by ~~strikeout~~.

Additions made to the ordinance at first reading are shown by shading.

Deletions made to the ordinance at first reading are shown by ~~strikeout and shading~~.

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Mayor and Council:

Attached is the completed chart for comparison of Takoma Park's mayoral salary with comparable Maryland municipalities. This is being offered for your consideration of changes to the Mayor and Council salaries in accordance with the requirements of Takoma Park Code, Title 2, Section 2.04.110:

"Principles of Compensation. The Council Compensation Committee shall apply the following principles to guide its recommendations:

.....

7. Compensation for the Mayor and Councilmembers should be comparable to Maryland municipalities of similar size and complexity."

As you see on the charts, there are two comparisons: (1) mayor's salary per person (in effect, the amount each person in the city pays the mayor), and (2) number of budget dollars per dollar of mayor's salary (in effect, the amount spent on other budget items per dollar spent on the mayor's salary). The two pertinent numbers to look at on the chart for this discussion are "AVERAGE Mayor Salary / Population" (Average I) and "AVERAGE Budget / Mayor Salary" (Average II).

Average I is .78. This means that on average in the selected Maryland cities, each resident pays the mayor 78 cents. In Takoma Park, the current amount is 46 cents. To bring Takoma Park up to the average of the selected cities, multiply \$0.78 by the Takoma Park population (17,299) to arrive at \$13,420. The Council salary is 75% of the mayor's salary, or \$10,065.

Average II is 2304. This means that on average in the selected Maryland cities, \$2304 are spent on other budget items for every dollar spent on the mayor's salary. In Takoma Park the amount is \$2568. To bring Takoma Park in line with the rest of the selected cities, divide the Takoma Park budget (\$20,545,625) by 2304 to arrive at \$8918. The Council salary is 75% of the mayor's salary, or \$6688.

I suggest that salaries within these two ranges, \$8918 to \$13,420 for the Mayor and \$6688 to \$10,065 for the Council, would meet the mandate of the Takoma Park Code for comparability. There might be other approaches to considering comparability, but I'm not aware of any that have been proposed. Note that the higher end of this range is greater than the Council Compensation Committee recommended amount (since abandoned per legal advice of Corporation Counsel) for November 2010 (Mayor \$13,310; Council Member \$9982.50).

In my view it is important that the Council address the issue of comparability because that is the standard that the previous Council established when salaries were increased four years ago and that is the standard this Council used in asking the current Compensation Committee to consider whether the salaries should be changed.

This is especially important now because it is highly likely that several of you will be on the next Council. In effect, you are voting on your own salaries. I believe that you need to show that the decision has not been made arbitrarily but on the basis of an agreed to community standard.

Ed Sharp

City	Mayor Salary	Population	Budget	Mayor salary / Population	Budget / Mayor salary
Aberdeen	10,000	13,842	14,700,000	0.72	1470
Annapolis	70,000	33,585	75,100,960	2.08	1073
Bowie	15,249	50,269	34,315,200	0.30	2250
Cambridge	12,000	10,911	21,877,263	1.10	1823
College Park	7,500	24,657	11,849,538	0.30	1580
Cumberland	7,200	23,901	32,267,840	0.30	4482
Elkton	11,000	11,893	36,222,975	0.92	3293
Gaithersburg	12,500	54,018	50,639,235	0.23	4051
Greenbelt	12,000	21,500	23,516,500	0.56	1960
Havre de Grac	19,100	11,331	11,163,150	1.69	584
Hyattsville	5,871	14,733	16,802,100	0.40	2862
Laurel	20,000	21,945	22,762,222	0.91	1138
Rockville	25,750	51,659	58,900,000	0.50	2287
Salisbury	25,000	23,743	40,273,077	1.05	1611
Westminster	10,000	17,870	40,939,795	0.56	4094
TOTAL Budget			491,329,855		
AVERAGE Budget			32,755,324		
TOTAL Mayor Salary / Population				11.64	
AVERAGE Mayor Salary / Population				0.78	
TOTAL Budget / Mayor Salary					34558
AVERAGE Budget / Mayor Salary					2304
Takoma Park (current)	8,000	17,299	20,545,625	0.46	2568

SALARY ADJUSTMENTS IN TAKOMA PARK BASED ON ABOVE DATA

Adjusted salary Mayor*	13420	8918
Adjusted salary Council**	10065	6688

*The first column is the product of the AVERAGE Mayor Salary/Population times the population of Takoma Park (\$0.78 x 17,299). The second column is the result of the current Takoma Park budget divided by the AVERAGE Budget/Mayor Salary (\$20,545,625 / 2304)

**Calculated at 75% of Mayor's salary

Supplemental Information for Agenda Item 8
July 2, 2007 Council Meeting

Salaries of the Mayor and Councilmembers Since 1964

Effective Date	Mayor	Councilmember
1964	\$1,200	\$800
1976	\$2,400	\$1,800
1989	\$4,800	\$3,600
1991	\$5,000	\$3,800
2003	\$8,000	\$6,000